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FISCAL IMPACT REPORT

2/16/07

SPONSOR Gardner ORIGINAL DATE _____ LAST UPDATED _____ HB 1078

SHORT TITLE Aircraft Liens & Destruction SB _____

ANALYST Wilson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1	\$0.1	\$0.1	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with SB 793
 Duplicates SB 828

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
 Attorney General's Office (AGO)

SUMMARY

Synopsis of Bill

House Bill 1078 amends Section 48-3-29 NMSA 1978 to provide for enforcement of a perfected lien upon an aircraft registered in a foreign country or upon an aircraft for which no record of registration with the Federal Aviation Administration (FAA) can be found. The lien is to be enforced by judgment of the court having jurisdiction in the county where the lien is filed and a writ of execution pursuant to that judgment. The court may award reasonable attorney fees to the prevailing party.

HB 1078 also provides that in the event that an aircraft is to be dismantled or destroyed, it is not necessary, following execution of a judgment, to transfer title to the aircraft under the provisions of the foreign registry or the FAA to the purchaser at a sheriff's sale. Under the bill, notice of the dismantling or destruction and the termination of registration, however, shall be provided by the purchaser to the FAA or the seat of the foreign registry. HB 1078 provides that the sheriff's bill of sale is sufficient to transfer the aircraft for the purpose of dismantling and destruction.

The bill has an emergency clause

FISCAL IMPLICATIONS

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and enforcement of additional aircraft liens. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

SIGNIFICANT ISSUES

HB 1078 is a duplicate of SB 828 which is, in effect, a substitute for SB 793 which appears to be substantively the same as HB 1078 and SB 828. It appears that technical changes have been made to clarify actions and to comport with industry language and requirements.

<u>SB 793</u>	<u>HB 1078/SB 828</u>
<ul style="list-style-type: none">• “aircraft liens pursuant to this section...”• “...it is not necessary, following the execution of a judgment, to transfer the aircraft pursuant to...”• “...to the purchaser at a sale enforcing the lien...”• “...notice of the dismantling or destruction and the de-registration shall be provided by the purchaser to the federal aviation administration or the foreign country of registration.”• “The bill of sale from a sale to enforce the lien shall be sufficient to transfer the aircraft...”	<ul style="list-style-type: none">• “aircraft liens pursuant to this section for a sum due for storing, maintaining or repairing an aircraft for labor furnished, for accessories or materials and for all costs incurred in enforcing the lien...”• “...it shall not be necessary, following execution of a judgment to transfer <i>title</i> to the aircraft under the provisions of...” (emphasis added)• “...to the purchaser at a sheriff’s sale...”• “...notice of the destruction or dismantling and of the termination of the registration shall be provided by the purchaser to the federal aviation administration or the seat of the foreign registry.”• “The sheriff’s bill of sale shall be sufficient to transfer the aircraft...”

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 1078 duplicates SB 828 and conflicts with SB 793.

DW/nt